

Monday 28 October 2019

Wirtgen To Supply BSOPP With Salt Milling Machine

Highlights

- **Wirtgen has been selected to supply a W220 milling machine for the Beyondie Sulphate of Potash Project.**
- **This specially equipped unit will harvest the hard potassium salts from the evaporation ponds.**
- **Wirtgen milling machines and larger surface miners currently operate successfully in similar applications at salt, gypsum and phosphate operations across the globe.**

Kalium Lakes Limited (Kalium Lakes) (ASX:KLL) is pleased to advise that it has selected a Wirtgen W 220 Large Milling Machine to harvest the hardened potassium salts from the evaporation ponds at the Beyondie Sulphate of Potash Project (BSOPP). The contract for this equipment falls within the facility guaranteed by the German Government export credit agency, Euler Hermes.

The specially equipped Wirtgen W220 large milling machine is ideally suited to the task of milling the very hard potassium salts that form in the evaporation ponds, ensuring the milled material can be “harvested” to Kalium Lakes’ specified grain size and then transported to the nearby purification plant for processing.

The Wirtgen W220 will be fitted with the Wirtgen Operator Comfort System (OCS) which is a fully enclosed cabin with climate control and the ability to hydraulically move the cabin entirely from the left side of the machine to the right to provide visibility to the operator during machine operation.



Wirtgen W 220 Large Milling Machine with OCS

Kalium Lakes’ Chief Development Officer, Rudolph van Niekerk, commented: “We invested a considerable amount of time carefully assessing the best machine for this specialised activity and the proven reliability that comes with Wirtgen having operated at other salt projects around the world was the key factor in the final assessment.

“Kalium Lakes will now work closely with the Wirtgen Australia Pty Ltd team to configure this machine for the technical requirements at our Beyondie Sulphate of Potash Project. We operated a similar milling machine during the 10-hectare pilot scale and harvesting trials in 2018, so we have a very good understanding of what we need the machine to do,” he said.



WIRTGEN is a member company of the WIRTGEN GROUP, an internationally active group of companies in the construction and mining equipment industry. The group comprises the five renowned brands WIRTGEN, VÖGELE, HAMM, KLEEMANN and BENNINGHOVEN, all headquartered in Germany, as well as local production plants in Brazil, China and India.

<https://www.wirtgen.de/en/>

** ENDS ***

Beyondie Sulphate Of Potash Project

Developing Australia's First SOP Operation

KALIUM
LAKES

- 100% owned **Beyondie Sulphate Of Potash Project (BSOPP)**
- Located 160km south east of Newman, in Western Australia
- **Bankable Feasibility Study (BFS)** and **Front End Engineering and Design (FEED)** completed
- **Binding Offtake Agreement** with K+S, ~\$650M revenue over first 10 years
- **All Native Title Mining Agreements** are in place | **All EPA, EPBC, DMIRS, DWER construction approvals** in place
- **Phase 1 Start-up = 90ktpa SOP**; Phase 2 = 180ktpa SOP | **Low All In Sustaining Operating Cost (AISC) ~US\$178-207 /t FOB**
- Pre-Tax NPV_s \$606M, **IRR of 20.3%** and **+A\$3B LOM free cashflow**
- **Low Cost Financing Credit Approved** - NAIF (\$74M), KfW (\$102M) with Euler Hermes German Government Guarantee
- **\$92 million equity raised during 2019** to complete Project funding requirement
- **Final Investment Decision (FID)** announced 3 October 2019



Compliance Statement

The information in this document that relates Production Targets has been extracted from the ASX announcement(s) listed below.

- 17 September 2018: Bankable Feasibility Study Completed With Exceptional Financial Outcomes
- 4 March 2019: Lower Operating Cost and Increased Production For BSOPP (Front-End Engineering and Design (FEED) works)

The report(s) are available to be viewed on the website at: www.kaliumlakes.com.au

Kalium Lakes confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, Ore Reserve Estimates, Exploration Targets or Production Targets, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Competent Persons Statement

The information in this ASX announcement and the accompanying Report that relates to Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Thomas Schicht, a Competent Person who is a Member of a 'Recognised Professional Organisation' (RPO), the European Federation of Geologists, and a registered "European Geologist" (Registration Number 1077) and Anke Penndorf, a Competent Person who is a Member of a RPO, the European Federation of Geologists, and a registered "European Geologist" (Registration Number 1152).

Thomas Schicht and Anke Penndorf are full-term employees of K-UTEC AG Salt Technologies (K-UTEC).

K-UTEC, Thomas Schicht and Anke Penndorf are not associates or affiliates of Kalium Lakes or any of its affiliates. K-UTEC will receive a fee for the preparation of the Report in accordance with normal professional consulting practices. This fee is not contingent on the conclusions of the Report and K-UTEC, Thomas Schicht and Anke Penndorf will receive no other benefit for the preparation of the Report. Thomas Schicht and Anke Penndorf do not have any pecuniary or other interests that could reasonably be regarded as capable of affecting their ability to provide an unbiased opinion in relation to the Beyondie Potash Project.

K-UTEC does not have, at the date of the Report, and has not had within the previous years, any shareholding in or other relationship with Kalium Lakes or the Beyondie Potash Project and consequently considers itself to be independent of Kalium Lakes.

Thomas Schicht and Anke Penndorf have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Thomas Schicht and Anke Penndorf consent to the inclusion in the Report of the matters based on their information in the form and context in which it appears.

Cautionary Statement Regarding Forward-Looking Information

Statements regarding plans with respect to the Company's mineral properties may contain forward looking statements. Statements in relation to future matters can only be made where the Company has a reasonable basis for making those statements. This announcement has been prepared in compliance with the current JORC Code 2012 Edition and the current ASX Listing Rules. The Company believes it has a reasonable basis for making the forward-looking statements, including any production targets, based on the information contained in the announcement and in particular the JORC 2012 and NI 43-101 Technical Report - Bankable Feasibility Study.

All statements, trend analysis and other information contained in this document relative to markets for Kalium Lakes, trends in resources, recoveries, production and anticipated expense levels, as well as other statements about anticipated future events or results constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. Forward-looking statements are subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those contained in the forward-looking statements. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. Kalium Lakes does not undertake any obligation to update forward-looking statements even if circumstances or management's estimates or opinions should change. Investors should not place undue reliance on forward-looking statement

Kalium Lakes Limited



ABN: 98 613 656 643
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Ordinary Shares on Issue: 385,427,963



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Board of Directors:

Mal Randall	Non-Executive Chairman
Brett Hazelden	Managing Director
Rudolph van Niekerk	Executive Director
Stephen Dennis	Non-Executive Director

Chief Financial Officer and Joint Company Secretary:

Christopher Achurch

Joint Company Secretary:

Gareth Widger



Share Registry

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